

1 AN ACT relating to campaign finance.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 121.175 is amended to read as follows:

4 (1) **As used in this section:**~~[No candidate, committee, or contributing organization shall~~  
5 ~~permit funds in a campaign account to be expended for any purpose other than for~~  
6 ~~allowable campaign expenditures.]~~

7 **(a) 1.** "Allowable campaign expenditures" means expenditures including  
8 reimbursement for actual expenses, made directly and primarily in  
9 support of or opposition to a candidate, constitutional amendment, or  
10 public question which will appear on the ballot and includes, but is not  
11 limited to:~~[,]~~

12 **a.** Expenditures for staff salaries;~~[,]~~

13 **b.** Gifts and meals for volunteer campaign workers;~~[,]~~

14 **c.** Food and beverages provided at a campaign rally;~~[,]~~

15 **d.** Advertising;~~[,]~~

16 **e.** Office space;~~[,]~~

17 **f.** Necessary travel;~~[,]~~

18 **g.** ***Personal use services:***

19 **h.** Campaign paraphernalia;~~[,]~~

20 **i.** Purchases of advertisements in athletic and scholastic  
21 publications;~~[,]~~

22 **j.** Communications with constituents or prospective voters;~~[,]~~

23 **k.** Polling and consulting;~~[,]~~

24 **l.** Printing, graphic arts, or advertising services;~~[,]~~

25 **m.** Postage, office supplies, stationery, newsletters;~~[,]~~ and

26 **n.** Equipment which is used primarily for the administration of the  
27 campaign.

1           2. "Allowable campaign expenditures" does not include expenditures of  
2 funds in a campaign account;

3           a. For any purpose made unlawful by other provisions of the  
4 Kentucky Revised Statutes;~~[-or]~~

5           b. Which would bestow a private pecuniary benefit, except for  
6 payment of the reasonable value of goods and services provided  
7 upon a candidate, member of the candidate's family, committee, or  
8 contributing organization, or any of their employees, paid or  
9 unpaid, including~~[-]~~ tickets to an event which is unrelated to a  
10 political campaign or candidacy;

11           c. For items of personal property for distribution to prospective  
12 voters, except items bearing the name, likeness, or logo of a  
13 candidate or a campaign-related communication;

14           d. ~~[expenditures]~~To promote or oppose a candidacy for a leadership  
15 position in a governmental, professional, or political organization,  
16 or other entity; or

17           e. For~~[and]~~ equipment or appliances the primary use of which is for  
18 purposes outside of the campaign;

19           (b) "Directly" means that the candidate would not have incurred the personal  
20 use service expense if the candidate did not engage in the campaign  
21 activities; and

22           (c) "Personal use services" means the reasonable and necessary costs incurred  
23 by a candidate resulting directly from the candidate engaging in campaign  
24 activities and includes the following:

25           1. Childcare expenses which include:

26           a. For a dependent child:

27           i. Professional daycare services, babysitting, and nanny

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services; and

ii. Before- and after-school programs, summer day camps, and preschools;

b. For a disabled, dependent child, those costs itemized in subdivision a. of this subparagraph and the costs related to a nurse, home care provider, or other care provider; and

c. "Childcare expenses" does not include:

i. Private school tuition;

ii. Medical expenses;

iii. Tutoring services; or

iv. Payments to a relative within the third degree of consanguinity of a child, unless the relative owns or operates a professional daycare or babysitting service and the cost of the service is no greater than the relative would otherwise charge;

2. Elder care expenses for a father, mother, father-in-law, mother-in-law, stepfather, stepmother, grandfather, or grandmother of the candidate which include:

a. Daycare or in-home sitting services;

b. The costs related to a nurse, home care provider, or other care provider; and

c. "Necessary elder care expenses" does not include:

i. Medical expenses;

ii. Payments to a long-term care facility or residential facility; or

iii. Payments to a relative within the third degree of consanguinity of the elder, unless the relative owns or

1 *operates a professional daycare or adult sitting service and*  
 2 *the cost of the service is no greater than the relative would*  
 3 *otherwise charge.*

4 (2) *No candidate, committee, or contributing organization shall permit funds in a*  
 5 *campaign account to be expended for any purpose other than for allowable*  
 6 *campaign expenditures.*

7 (3) The provisions of KRS 121.190 notwithstanding, a candidate shall not be required  
 8 to include a disclaimer on campaign stationery purchased with funds from the  
 9 candidate's~~[his]~~ campaign account.

10 (4) A member of the General Assembly may utilize funds in the member's~~[his]~~  
 11 campaign account to purchase admission tickets for political party functions and  
 12 caucus campaign committee functions, to purchase items with a value of no more  
 13 than~~[not in excess of]~~ one hundred dollars (\$100) for donation to a political party or  
 14 caucus campaign committee for auctions and fundraisers, and to participate in or  
 15 support other events sponsored by a political party or caucus campaign committee.

16 (5) A member of the General Assembly may make allowable campaign expenditures in  
 17 both election years and nonelection years.

18 ~~(6)(2)~~ ~~[By December 31, 1993, ]~~The registry shall promulgate administrative  
 19 regulations to implement and enforce this section~~[the provisions of subsection (1)]~~.

20 ~~(7)(3)~~ In lieu of the penalties provided in KRS 121.140 and 121.990 for a violation  
 21 of this section, the registry may, after hearing:

22 (a) For a violation which was not committed knowingly, order the violator to  
 23 repay the amount of campaign funds which were expended for other than  
 24 allowable campaign expenditures, and if not repaid within thirty (30) days,  
 25 may impose a fine of up to one hundred dollars (\$100) for each day the  
 26 amount is not repaid, up to a maximum fine of one thousand dollars (\$1,000);  
 27 and

1           (b) For a violation which was committed knowingly, in addition to referring the  
2           matter for criminal prosecution, order the violator to repay the amount of  
3           campaign funds which were expended for other than allowable campaign  
4           expenditures, and if not repaid within thirty (30) days, may impose a fine of  
5           up to one hundred dollars (\$100) for each day the amount is not repaid, up to a  
6           maximum fine of one thousand dollars (\$1,000).